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NEWS RELEASE

FEBRUARY 21, 2003
FOR IMMEDIATE RELEASE

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House Committee threatens severe cuts that will hamper state business, contracts, purchases, payroll processing

Jefferson City--The House Appropriations Committee on General Administration approved severe cuts to the state department most responsible for the key business functions of the state. The Office of Administration processes the state payroll and vendor payments, contracts for services and supplies at reduced costs, screens and hires qualified staff for state agencies, and leases the best available, low cost office space.

The proposed action by the House General Administration Committee would lead to government inefficiency rather than more efficiency, according to Jacquelyn D. White, Commissioner of Administration.

"It is one thing to cut the budget," White said. "It's an entirely different matter to cut so severely that it leads to inefficiencies. The committee eliminated the key experienced people who are critical in leading the state's efficiency efforts. These are the people who work to get the lowest cost services, products, supplies and leases for many state departments."

Since July 2001, the Office of Administration has already eliminated 155 positions. The department worked with Gov. Holden to cut positions and still maintain efficient operations for state government. The committee's action eliminates:

- 65 full-time employees (FTE), plus four of six FTE from Office of Information Technology, those who provide computing services to state government.
- The committee also removed 16 positions in the Commissioner's Office who have statewide responsibility for the state's business functions.

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These staff have directed government efficiency efforts in the areas of mail operations, meal reimbursement, and optimizing the cost of the state's financial system (SAM II). Routine functions such as the department's payment approvals, preparing the department's budget, providing information required for the state's key financial report, handling the departmental personnel actions and maintaining the department's data network could not be performed by the remaining staff.

- The one staff person who provides a link to local governments and Regional Planning Commissions would be eliminated, even though the committee voted to restore funding to these same Regional Planning Commissions.
- Six expert data center staff who make sure all of state government information technology runs smoothly. Recently, the Department of Labor and Industrial Relations called and could not get their system to process claims. Division of Information Services staff worked with them to correct the problem within three hours. With the proposed cuts, when an agency calls, they could wait days or weeks before they get an answer to their problems and could potentially delay state payments to any number of the 115,000 vendors the state does business with annually. In total, the Division of Information Services would lose 15 employees.
- The Division of Design and Construction, in addition to the 39 FTE already eliminated, would lose another 14 staff. Complex land conveyance and contracts would be handled by less senior staff, placing the state at greater risk. The loss of highly trained technical engineers and architects would be difficult to replace.
- Testing sites for merit positions across the state would be eliminated. The state had hoped to reduce the number of classifications, move into web-based testing and streamline the hiring process. Now those improvements will be stymied and delayed. The Division of Personnel lost 5 FTE who head operations in classification, policy and regulations, labor relations, and training. The state would not be able to negotiate on its own behalf in labor matters.
- The state's procurement expert on information technology who recently received national recognition in the procurement field and the employee who is responsible for monitoring agencies compliance with statutory purchasing requirements were eliminated. Without this quality assurance, the state could pay too much for goods and services, and get into bad procurement deals.

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- The Risk Management Manager whose position was eliminated is a nationally recognized expert in the Workers' Compensation area and has led efforts that have resulted in savings of over \$3.2 million in Workers' Compensation costs to the State. The cuts to the Division of General Services also eliminate three other key management positions, which are leading state efficiency efforts in the areas of fleet management and mail services.
- The head of leasing operations, along with two other leasing coordinators. Under their direction, an independent market analysis report identified that OA's leasing costs are lower than actual market averages. This includes operating space for 16 state agencies and elected officials in 114 counties in Missouri.